

Town of Frederick Board of Trustees



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AM 2010-016

To Consider a Lease Agreement for the Property at 318 4th Street

Agenda Date: February 9, 2010

Attachments:

- a. Request from Applicant
- b. Current lease agreement

Fiscal Note:


Interim Finance Director

Submitted by:


Jennifer Simmons
Planning Director

Approved for Presentation:


Town Administrator

AV Use Anticipated Projector _____ Laptop _____

Certification of Board Approval:

Town Clerk

Date

Summary Statement:

The Town owns the property at 318 4th Street. The existing lease runs from March 1, 2009 through February 28, 2010.

Detail of Issue/Request:

Background: The property at 318 4th Street is owned by the Town and has been leased since March 1, 2010. The current lease amount is \$14,100 annually or \$1,175 monthly.

Proposal: The current Lessee is requesting (see attached letter) to reduce the rental rate to \$13,200 annually, \$1,100 monthly. The property would then continue to be used as a retail store with an accessory dwelling unit.

Legal/Political Considerations:

Not applicable.

Alternatives/Options:

The Board of Trustees has the discretion to alter any portion of this contract.

Market rates were not compared as this issue was raised at the request of the Lessee. Additionally, there are not currently comparable properties available for rent to use as a comparable.

Alternatives to the request include maintaining the current rental rate of \$1,175 per month or raising the rental rate. It seems prudent to grant the request and keep a dependable tenant than to potentially lose the tenant and have the property sit vacant until a suitable tenant is found.

Financial Considerations:

Any rent received will be placed in the General Fund.

Staff Recommendation:

Staff recommends approval of the proposed lease contract.